

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 5, 2014

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: SANDRA MARKS, ACTING DEPUTY DIRECTOR, T&ES

SUBJECT: AGENDA ITEM #3 - DRAFT FY 2015 – FY 2024 TRANSPORTATION BUDGET

ISSUE: Provide an overview of the projects included in the draft FY 2015 – FY 2024 transportation budget, highlighting significant changes from the FY2014 – FY2023 adopted budget.

RECOMMENDATION: That the Transportation Commission hold a public hearing and recommend that the draft FY 2015 – FY 2024 transportation budget be adopted by City Council.

DISCUSSION: Each year the City Manager presents a proposed City Budget to the City Council for consideration and action. As part of the budget process, a ten-year Capital Improvement Program (CIP) is developed, programming funding for major capital projects in the City. Funding for the CIP comes from the City's general fund, grants and other non-City sources of funding including developer contributions.

In FY2012, Council approved an additional 2.2 cents on the base real estate tax rate to expand transportation infrastructure and transit options throughout the City. This revenue is the primary funding source for the Transportation Improvement Program (TIP). The TIP funds capital improvements, associated operating costs, and debt service on General Obligation Bonds issued and backed by these revenues. One of the Transportation Commission's responsibilities is to recommend a six-year TIP on an annual basis. Therefore, in previous years, staff's presentation to the Commission has primarily focused on the TIP.

Several changes have occurred in FY 2013 and FY 2014 that affect how the City budgets transportation projects:

1. House Bill 2313 was signed into law and levies additional taxes and fees to generate additional revenue for transportation projects. Thirty percent of these funds will be returned to the local jurisdictions for qualifying road projects or public transportation purposes. The City expects to receive approximately \$6.5 million annually in 30% funds.
2. The other 70% of the HB2313 funds will be distributed by the Northern Virginia Transportation Authority (NVTA) for capital projects of regional significance. The City estimates that it will see up to \$165 million in benefits over a 10-year period (annual

average of \$16.5M). The Transportation Commission has forwarded their recommended funding plan for the 70% funds to the City Council who approved a modified plan on January 28, 2014 (Attachment 1).

3. New state funding was made available in FY 2014 and allocated by DRPT based on performance. Approximately \$4 million in new funding was deposited in the City's NVTC trust fund. The City will continue to use the trust fund primarily to fund the WMATA operating and capital subsidies.

Since significant new funding is available for transportation projects, staff has followed the Transportation Commission guidance and shifted some projects from the TIP to different funding sources. This freed up funding in the TIP for both expansion operations (e.g., DASH expansion) and deferred road maintenance (e.g., street resurfacing). Projects that were previously funded by cash capital or General Obligation bonds can now be fully or partially funded by some combination of NVTA or TIP funds, easing pressure on the General Fund. In addition, by shifting projects to new revenue sources, staff was able to eliminate borrowing in the TIP, saving considerable money over the 10-year plan by reducing debt service payments.

As a result, there is a nearly \$200 million increase across the transportation budget for FY 2015 - FY 2023. The table below illustrates the proposed changes to projects that were included in the TIP in prior years, as well as projects that are new to the TIP.

Capital Project	Total Funding Change Over 10 Years ¹	Notes
DASH Expansion	\$6,500,000 increase	NVTA 70% and NVTA 30% funds added
King St Metro Station Improvements	\$146,000 increase	Urban funds replace TIP funds
Potomac Yard Metrorail	\$12,000,000 increase	Project cost adjusted for inflation NVTA 70% funds (\$69.5M) will reduce need for borrowing
Route 1 Transitway	\$600,000 increase	NVTA 70% funds for transit signal priority implementation
Corridor "B" (Duke Street)	\$14,750,000 increase	Combined with Duke St Complete Streets NVTA 70% funds added in FY 2015 and FY 2024
Corridor "C" (Van Dorn-Beauregard)	\$61,000,000 increase	Documented developer contributions Added significant NVTA 70% funding
Capital Bikeshare	\$959,000 increase	Additional CMAQ/RSTP funding
Transportation Technologies	\$250,000 increase	
Mt Vernon Ave/Russell Rd	\$500,000 increase	Cost estimate increased
Van Dorn Metrorail Station Area	\$1,750,000 increase	New project
Parking Ratio Study	\$150,000 increase	New project
Madison/Montgomery	\$675,000 increase	New to TIP
Street Reconstruction & Resurfacing Major Roads	\$6,300,000 increase	New to TIP
Eisenhower Ave Widening	\$500,000 increase	New to TIP
Bridge Repairs	\$450,000 increase	New to TIP; FY 2015 supplement only
Corridor "A" Streetcar	No change	Schedule accelerated by one year

¹ Reflects total change between previously approved FY 2015 – FY 2023 funding and proposed FY 2015 – 2024 budget, regardless of funding source.

A number of changes were also made to the operating expenses covered by the TIP, as illustrated in the following table:

Operating Expense	Change from FY 2014 – FY 2023 Approved TIP²	Notes
Capital Bikeshare	\$5,300,000	
DASH Expansion	\$13,300,000	
Staff	\$9,500,000	Includes some transfers from General Fund to cover expanded service
Route 1 Operations	\$9,000,000	Revised operating cost estimates Funding shifted to NVTA 30%
Trail Maintenance	\$100,000	
King Street Station	\$400,000	
Corridor "C" (Van Dorn-Beauregard)	\$2,580,000	Funding shifted to NVTA 30%
Bus Shelter Maintenance	\$1,500,000	New to TIP
Street Repairs	\$7,700,000	New to TIP

² Reflects total change between previously approved FY 2015 – FY 2023 TIP operating funding and proposed FY 2015 – 2024 TIP operating budget.